

<b>Process Name:</b> Accounts Payable	<b>Process Identifier:</b> AP
<b>Sub-Process Name:</b> Disbursements	<b>Sub-Process Identifier:</b> AP-4
<b>Sub-Process Purpose and Objectives:</b> To issue a payment in a timely fashion	
<p><b>Sub-Process Description:</b> The State pays vendors using a variety of methods including warrants, credit ACH, wires, and debit ACH. The disbursement method indicator on the invoice transaction determines if a payment is made via warrant, or credit ACH. The State initiates payment by wire and the vendor executes the debit ACH transaction.</p> <p><b>WARRANT</b> Accounts sets the STARS payment program to run each day. The program reads the warrant writing information and produces warrants. Accounts reviews the warrant and mails it to the vendor. The program also produces a warrants processed file for the Treasury. The vendor attempts to redeem the warrant at the bank/federal reserve. The federal reserve produces two files, Remittance Request and Warrant Image, for the Treasury. The Treasury processes the files and if it passes edits, updates the STARS redemption date and sends journal voucher entries to Accounts. If there is an exception when the files are processed then the warrant is returned to the federal reserve who then forwards the warrant to the depositor. An exception is a difference in the warrant number or in the dollar amount of the warrant.</p> <p><b>NON-WARRANT CREDIT ACH</b> Accounts sets the STARS payment program to run each day. After receiving and processing the invoice, the payment program runs, producing the ACH file and remittance advices. The remittance advice is forwarded to the vendor and the Treasury is notified that there is a credit ACH file to process. For credit ACH, Treasury will process the file, settle with the bank and produce L documents and a file for Accounts. The Treasury journal voucher relieves the clearing account entries that were previously posted when the payment was created.</p>	

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<b>Sub-Process Description Continued:</b>			
NON-WARRANT DISBURSEMENT WIRES			
Wire disbursements are made at regular intervals including daily, weekly, and monthly. A wire disbursement can also be made at the agency’s request. The agency keys a “Z” type JV to update STARS and then submits the paper work to Accounts. Accounts may reject the request and return the paperwork to the agency or approve the transaction and notify the agency. After receiving the approval, the agency instructs the Treasury to wire the funds to the vendor. The Treasury wires the funds, settles with the bank, and produces a journal voucher. The Treasury journal voucher relieves the clearing account entries that were previously posted.			
NON-WARRANT DISBURSEMENTS DEBIT ACH			
Accounts initiates the debit ACH process by informing the agency that it is available as a method of payment. The agency then sends a request for debit ACH to Accounts. Utilizing Foxpro to store the vendor information, Accounts then enrolls the vendor in the ACH process. The vendor will begin to submit ACH transactions to the bank. The bank will produce an ACH file and forward it to the Treasury. After pulling out the transaction detail, Treasury sends the information to Accounts. Accounts compares the information from the Treasury file to the Foxpro file. If it is not approved then Accounts and the bank work to resolve any issues. After the issues are resolved or the file is approved a journal voucher is produced.			
<b>Sub-Process Trigger(s):</b> <ul style="list-style-type: none"><li>• Invoice entered or interfaced in to STARS</li><li>• Time to pay vendor has arrived</li></ul>		<b>Key Sub-Process Participants:</b> <ul style="list-style-type: none"><li>• Agency</li><li>• Division of Accounts</li><li>• Treasury</li><li>• Bank</li></ul>	
<b>Inputs:</b>			
Input	Format	Volume/Time	Suppliers

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STARS warrant file	Electronic	778,000 warrants/year	Accounts
<b>Outputs:</b>			
<b>Output</b>	<b>Format</b>	<b>Volume/Time</b>	<b>Recipients</b>
Credit ACH payment	Electronic	1.3 million/year	Vendor
Warrant	Paper	1.8 million warrant lines/year	Vendor
Wire	Electronic	600/year	Vendor
Debit ACH payment	Electronic	30,000/year	Vendor
<b>Performance Measures Tracked:</b>			
<b>Measure</b>	<b>Approx. Value</b>		<b>Target Value</b>
None			
<b>Laws, Regulations, and Policies That Govern Sub-Process: TCA 9-4-604</b>			
<b>Current Sub-Process Issues/Problems:</b>			
The addenda file for credit ACH is truncated if it exceeds the number of lines on the form.			
<b>Improvement Opportunities:</b>			
<b>Opportunity</b> <i>Merge cells to link one Opportunity to multiple impacts)</i>	<b>Organizational Impacts</b> <i>(Individually list and describe laws [L] regulations [R], and policies [P], as well as cultural [C] considerations for each opportunity)</i>		
Remittance advice information can be accessed on-line by vendors by utilizing self-service functionality through a web browser or kiosk	Internet access and training may be issues in implementation; currently spending \$600,000 on postage		P
Reduction in paper processing and accounts payable cycle time			

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Vendors can inquire into the status of their outstanding payments by utilizing self-service functionality through a web browser or kiosk	Internet access and training may be issues in implementation; allows for redirecting accounts payable staff devoted to answering vendor inquiries to more value-added tasks		
Manual matching of purchasing / payables documents as an automated three-way matching process (purchase order, invoice, receiving report) is performed	Allows for the redirecting of staff time from manual matching to exception processing		
Employees can complete expense reimbursement reports by utilizing self-service functionality through a web browser or kiosk, and obtain proper approvals through pre-defined workflow capabilities	Internet access and training may be issues in implementation; change management issue of shifting responsibility for data to vendor; allows for redirecting accounts payable staff devoted to answering vendor inquiries to more value-added tasks		
Employees check the status of travel and expense reimbursements by utilizing vendor payment status inquiry functionality through a web browser or kiosk	Internet access and training may be issues in implementation; allows for the redirection of accounts payable staff devoted to answering these inquiries to more value-added tasks		
Applications that Support the Sub-process			
Application Name(s) (Internal name and vendor's name)		Technology Description (Programming vendor, language, platform, database, etc.)	
STARS		STARS is KPMG's mainframe governmental accounting system. It is written in COBOL and uses an IMS database.	
ARP		Accounting reconciliation package	
ACME			
Foxpro		Foxpro is a PC based database software written by Microsoft.	











